DEC 1 0 1987

546-D GA1.13:RCED-86-43FS

United States General Accounting Office

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Fact Sheet for the Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives

October 1985

INDIAN RELOCATION

Navajo and Hopi Indian Relocation Commission Estimated Relocation Cost

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION
B-203827

OCT 25 1985

The Honorable Sidney R. Yates
Chairman, Subcommittee on Interior
and Related Agencies
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

The enclosed fact sheet, prepared in response to your request of October 9, 1985, contains information on the Navajo and Hopi Indian Relocation Commission's activities. In subsequent discussions with your office, we agreed to provide you with the number of Indian families to be relocated, a breakout of the actual and estimated relocation costs, the Commission's replacement-home benefits levels, and the most recent Bureau of Indian Affairs average housing cost in the northern Arizona area.

As of October 16, 1985, approximately 900 Indian families had been relocated and an estimated 1,675 remained to be relocated or are eligible for relocation benefits. Appropriated funds for relocation activities have totaled $84,727,000 through fiscal year 1985. If the Senate fiscal year 1986 appropriations provisions for Interior and related agencies are enacted, the Commission estimates that a total of $253,497,000 will have been spent by the time relocation is completed at the end of fiscal year 1988. However, if the appropriations provisions are not enacted, relocation could not be completed until fiscal year 1993. Given this increased time, total relocation costs would increase to $284,227,000.

As arranged with your office, the figures presented in the fact sheet were obtained from and discussed with Commission and Bureau of Indian Affairs officials and were not verified by GAO. We will send copies of this fact sheet to the Navajo and Hopi Indian Relocation Commission and to other interested parties upon request. If you have any questions regarding the fact sheet, please call me at (202) 275-8546.

Sincerely yours,

Michael Gryszkowiec

Michael Gryszkowiec
Associate Director

Enclosure

ENCLOSURE

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION ESTIMATED RELOCATION COSTS

BACKGROUND

The Navajo and Hopi Tribes have for centuries contested the ownership rights to millions of acres in northeastern Arizona. In the late 1950's a U.S. District Court ruled that 1.8 million acres of the disputed land would be equally shared and jointly used by the two tribes. This land became known as the Joint Use Area.

In 1974, in an attempt to resolve continuing disputes, the Congress passed Public Law 93-531. This law (1) enabled the court to partition the Joint Use Area, giving part to the Navajo and part to the Hopi, (2) ordered the relocation of Indians off the land partitioned to the other tribe, and (3) established the Navajo and Hopi Indian Relocation Commission to handle the actual relocation of people affected by the partition of the Joint Use Area. Subsequent amendments to the law allowed for the expansion and further development of the Navajo Reservation for the use of relocated families. The Department of the Interior's Bureau of Indian Affairs (BIA) and the Department of Health and Human Service's Indian Health Service (IHS), using Commission funds, also contribute to relocation activities, including road and water facilities construction.

NUMBER OF RELOCATIONS

The following table shows the number of families relocated as of October 16, 1985 and those remaining to be relocated:

ENCLOSURE

TABLE 1

Number of Relocations

Relocations as of October 16, 1985	900
Physically domiciled on partitioned lands and remaining to be relocated	399
Not physically domiciled on partitioned lands but eligible for relocation benefits	1,276
Total relocations	2,575

According to the Commission's Assistant Director of Management Operations, about 75 of the 399 families physically domiciled on partitioned lands are expected to resist relocation. The remaining 1,276 families, also eligible for relocation benefits, consist of individuals who are temporarily away from the partitioned lands due to employment or other reasons but have maintained substantial and recurring contacts with the homesite on the partitioned lands. The Commission estimates that this group will include about 100 families who have been denied eligibilty for relocation benefits but are expected to win eligibility for benefits on appeal.

RELOCATION COSTS

The Commission divides its relocation costs into the four program categories described below:

1) Incentive Bonus Payments -- Cash incentive payments to families who agree to voluntarily relocate from the partitioned lands during a specified time period.

2) Relocation Assistance Payments -- These payments are for the direct and incidental costs associated with the acquisition of decent, safe, and sanitary replacement housing for relocated families and payments to these families for the appraisal value of home improvements at their former homesites.

3) Discretionary Funds -- These funds are for a variety of projects designed to encourage relocation assistance efforts on the part of federal, state, and local agencies. Projects include development of and improvements to water and waste disposal systems, utilities, and roads.

4) Agency Administration and Operations -- Funds in this category are to cover expenses related to the operation of the Commission, such as management, legal services, staffing, and support.

As table 2 shows, the Commission has been appropriated $84,727,000 through fiscal year 1985 in support of these activities. Although BIA and IHS participate in relocation activities such as road and water facilities contruction, funds for these activities to date have been provided by the Commission.

ENCLOSURE

TABLE 2

Estimated Costs to Complete Relocation

Cost Category	(A) Appropriations through fiscal year 1985	Based on Enactment of Senate Appropriations Provisions: (B) Appropriations for fiscal year 1986	(C) Estimated Cost to complete through FY'88	(A+B+C) Estimated total costs	Based on Non-Enactment of Senate Appropriations Provisions: (D) Estimated cost to complete through FY'93[a]	(A+D) Estimated total costs
Commission						
Incentive Bonus Payments	$5,600,000	$990,000	$7,010,000	$13,600,000	$8,000,000	$13,600,000
Relocation Assistance Payments	59,153,000	14,700,000	30,300,000	104,153,000	101,500,000	160,653,000
Discretionary Funds	4,274,000	3,470,000	8,530,000	16,274,000	48,000,000	52,274,000
Agency Administration and Operations	15,700,000	3,010,000	7,260,000	25,970,000	32,000,000	47,700,000
Commission Subtotals	$84,727,000	$22,170,000	$53,100,000	$159,997,000	$189,500,000	$274,227,000
Other						
BIA/IHS Subtotals	-0-	$83,500,000	$10,000,000	$93,500,000	$10,000,000	$10,000,000
Total Relocation Costs	$84,727,000	$105,670,000	$63,100,000	$253,497,000	$199,500,000	$284,227,000

[a]Includes funds needed in fiscal year 1986.

The fiscal year 1986 Senate appropriations provisions for Interior and related agencies provide BIA and IHS with $83,500,000 for relocation activities.[1] If these provisions are enacted,

[1]The estimates provided to us by the Commission were based on the proposed Senate appropriations for fiscal year 1986. According to the Commission, the Senate is including $83,500,000 for BIA and IHS that was not included in the House version, and that the Commission considers necessary for the completion of relocation by the end of fiscal year 1988.

the Commission estimates that it will need an additional $53,100,000 to complete relocation by the end of fiscal year 1988. In addition, the Commission estimates that BIA would need approximately $10,000,000 for additional road construction. Accordingly, total relocation costs--including BIA, IHS, and Commission costs--would be $253,497,000.

If the Senate appropriations provisions are not enacted, development of the new Navajo lands would be delayed and the Commission estimates that relocation would not be completed until fiscal year 1993. If this occurs, the Commission estimates that it will need an additional $189,500,000 (which includes appropriations for fiscal year 1986) to complete relocation.

In addition, the Commission estimates that IHS would still need approximately $10,000,000 for water and sewage projects. Accordingly, total relocation costs would be $284,227,000.

In fiscal year 1984, the Commission had requested approximately $62,000,000 for non-infrastructure construction and improvements (such as charter houses, hospitals, and schools) but the request was denied by the Congress. Had the request been approved, total relocation costs could have been as high as $346,227,000.

REPLACEMENT-HOME BENEFITS

Replacement-home maximum benefit levels were set by the 1974 act at $17,000 (for a household of three or fewer) and $25,000 (for a household of four or more). These benefit levels may be adjusted annually for changes in housing development and construction costs, other than costs of land. Table 3 shows the Commission's replacement-home benefits, as adjusted, from December 1974 to the present:

TABLE 3

Replacement-Home Benefit Adjustments[a]

3 persons or fewer:

12/74	3/77	3/78	3/79	12/79	12/80	4/82	3/84	current
$17,000	21,250	22,610	26,520	38,700	44,800	50,000	55,000	55,000

4 persons or more:

$25,000	31,250	33,250	39,000	57,000	66,000	66,000	66,000	66,000

[a]For more information on the annual adjustments to the replacement-home benefit, see GAO's July 2, 1981, report entitled Review of the Navajo and Hopi Indian Relocation Commission's Program (CED-81-139).

Commission replacement-home benefits are currently $55,000 for families with three or fewer members and $66,000 for families with four or more members. According to BIA officials, Indian housing provided by the Bureau in northern Arizona costs an average of $40,000. However, the official noted that BIA houses tend to be basic, essential dwellings with fewer amenities than Commission-provided housing. Accordingly, the BIA official cautioned against comparing BIA and Commission housing costs.

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